COMMERCE

Budget Summary

Fund	2002-03 Base Year Doubled	2003-05 Governor	2003-05 Jt. Finance	2003-05 Legislature	2003-05 Act 33	Act 33 Change Over Base Year Doubled Amount	Percent
GPR	$36,637,200	$42,892,600	$40,910,900	$40,910,900	$40,910,900	$4,273,700	11.7%
FED	75,089,400	146,759,800	146,757,400	146,757,400	146,757,400	71,668,000	95.4
PR	86,714,800	94,215,000	89,511,900	89,511,900	89,511,900	2,797,100	3.2
SEG	169,924,200	151,976,900	166,751,100	166,751,100	166,551,100	- 3,373,100	- 2.0
TOTAL	$368,365,600	$435,844,300	$443,931,300	$443,931,300	$443,731,300	$75,365,700	20.5%
BR		$115,000,000	$94,000,000	$94,000,000	$94,000,000		

FTE Position Summary

Fund	2002-03 Base	2004-05 Governor	2004-05 Jt. Finance	2004-05 Legislature	2004-05 Act 33	Act 33 Change Over 2002-03 Base
GPR	73.00	68.00	68.00	68.00	68.00	- 5.00
FED	48.50	54.15	54.15	54.15	54.15	5.65
PR	262.45	237.45	236.45	236.45	236.45	- 26.00
SEG	99.30	77.90	82.40	82.40	82.40	- 16.90
TOTAL	483.25	437.50	441.00	441.00	441.00	- 42.25

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Governor (Chg. to Base) Funding	Positions	Jt. Finance/Leg. (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR-REV			$58,800		$58,800	
GPR	- $156,800	0.00	- $21,400	0.00	- $178,200	0.00
FED	466,400	- 0.60	- 2,400	0.00	464,000	- 0.60
PR	- 50,000	0.00	- 79,800	0.00	- 129,800	0.00
SEG	121,500	- 3.00	- 19,000	0.00	102,500	- 3.00
Total	$381,100	- 3.60	- $122,600	0.00	$258,500	- 3.60

Governor: Provide adjustments of -$80,000 GPR, $92,600 SEG and -2.0 SEG positions in 2003-04, and -$76,800 GPR, $28,900 SEG and -3.0 SEG positions in 2004-05, and $233,200 FED and -$25,000 PR and -0.6 FED positions annually as standard budget adjustments. Adjustments are for: (a) turnover reduction (-$76,700 GPR, -$330,600 PR, and -$60,100 SEG annually); (b) removal of noncontinuing funding and positions (-$90,800 SEG and -2.0 SEG positions in 2003-04, and -$154,500 SEG and -3.0 SEG positions in 2004-05, and -$127,000 GPR, -$163,900 FED, -0.60 FED position and -$175,000 PR annually); (c) full funding of continuing salaries and fringe benefits ($92,400 GPR, $392,000 FED, $335,600 PR, and $203,500 SEG annually); (d) reclassifications ($20,600 GPR in 2003-04, and $23,800 GPR in 2004-05, and $3,900 FED, $5,200 PR and $30,500 SEG annually); (e) overtime ($99,900 PR annually); (f) fifth week vacation as cash ($10,700 GPR, $1,200 FED, $39,900 PR, and $9,500 SEG annually); and (g) minor transfers within the same alpha appropriation. In total, changes due to standard budget adjustments would increase funding by $220,800 and decrease positions by 2.0 in 2003-04, and increase funding by $160,300 and decrease positions by 3.0 in 2004-05.

Joint Finance/Legislature: Delete funding for fifth week of vacation as cash (-$10,700 GPR, -$1,200 FED, -$39,900 PR, and -$9,500 SEG annually). Require the agency to lapse to the general fund in each year a total of $49,400 from those PR and SEG accounts or funds from which the fifth week vacation as cash payments had been budgeted. Estimate GPR-REV to be $29,400 annually. Specify, however, that the agency is not required to lapse to the general fund any such PR or SEG amount that is from federal funds or that is from another fund source whose lapse to the general fund would be prohibited by state or federal laws or the state or federal constitution. Federal accounting requirements may prevent a lapse to the general fund of up to $20,000 PR annually from the administrative services appropriation.

[Act 33 Section: 9160(3f)]

2. BASE BUDGET REDUCTIONS

	Funding	Positions
GPR	- $1,735,200	- 10.80

Governor/Legislature: Delete $867,600 GPR and 10.80 GPR annually to reflect base year state operations budget reductions of 14.0%. The reductions are as follows:

a. Delete $139,300 and 1.0 vacant Division Administrator position annually and consolidate the Division of Marketing, Advocacy and Technology Development into the Division of Economic Development. Reduce the number of unclassified positions authorized for Commerce by one, from seven to six.

The Division of Marketing, Advocacy and Technology Development advertises the state's economic advantages, publicizes business developments, and provides information on the specific public and private sector programs encouraging growth. The Division also provides entrepreneurial assistance for small businesses, advises small businesses on federal Clean Air Act compliance, conducts manufacturing assessments for small and medium-sized businesses (through the Manufacturing Assessment Center that would be eliminated under another provision in the bill), and consults with employers to improve workplace safety. Base level funding for salary, fringe benefits, supplies and services for the Division is $968,700 GPR, 12.0 GPR positions, $1,244,100 PR and 11.0 PR positions.

The Division of Economic Development consists of the Bureau of Business Finance, the Bureau of Business Development, and the Bureau of Minority Business Development. The Bureau of Business Finance is responsible for completing the due diligence process on requests for economic development financing, preparing comprehensive analyses and making funding recommendations for financing economic development projects. The Bureau of Business Development serves as the first point of contact between businesses, local development organizations and the Department. The Bureau also administers the business retention program for municipalities. The Bureau of Minority Business Development provides technical and financial assistance to minority individuals and businesses. The Bureau also administers the minority business certification program that certifies minority businesses for participation in the state's minority business purchasing and contracting program. Base level funding for salary, fringe benefits, supplies and services for the Division of Economic Development is $1,658,000 GPR, 23.11 GPR positions, $824,400 PR, 10.0 PR positions, $84,000 SEG and 1.0 SEG position.

b. Delete $287,800 and 4.8 positions annually to eliminate vacancies and other positions in the Department's economic development and administration programs.

c. Delete $189,000 and 2.0 positions annually to reduce the number of administrative manager positions in Commerce.

d. Delete $251,200 and 2.0 positions to downsize the operations of the Division of International and Export Services.

The Division of International and Export Services primarily assists small and medium-sized businesses in increasing their sales in the international marketplace. Division staff help state firms assess the demand for their products outside the U.S., help plan a systematic approach to international markets, and introduce them to potential customers, distributors, partners and service providers. Services are provided both through activities in Wisconsin and overseas offices. The Division is provided $1,295,600 GPR, 10.0 GPR positions, $57,800 PR, and 2.0 PR positions in 2002-03.

[Act 33 Section: 2394]

3. WISCONSIN DEVELOPMENT FUND

GPR	- $2,910,800

Governor: Delete $1,455,400 GPR annually from the Wisconsin Development Fund (WDF).

The WDF provides financial assistance to businesses, consortia, nonprofit organizations, and local governments for economic development projects through the following programs: (a) technology development grants and loans; (b) customized labor training grants and loans; (c) major economic development grants and loans; (d) urban early planning grants; (e) Wisconsin trade project; (f) employee ownership assistance grants; (g) manufacturing extension center grants; (h) revolving loan fund capitalization grants; and (i) the rapid response fund. Commerce and the Small Business Development Center of the University of Wisconsin-Extension partnered to develop, as a pilot program, the entrepreneurial training grant program. Commerce also makes business employee skills training (BEST) grants through the WDF. The WDF is funded through a GPR and program revenue repayments appropriation. Amounts received from WDF loan repayments are credited to the repayments appropriation and these monies are used to fund WDF grants and loans. Base level funding for WDF grants and loans is $10 million annually ($5,953,800 GPR and $4,050,000 PR). The bill would provide $8.5 million annually.

Joint Finance/Legislature: Include provision. In addition, require Commerce to:

a. Allocate $1 million in 2003-04 for grants to individuals, communities (an entire village or city would be eligible if a portion of the municipality is in a county that qualifies), consortia, and businesses that are affected by a plant closing on or after February 1, 2001, where (1) at least 500 people from a single plant closing, or 1,000 people from more than one plant closing in a county lose their jobs over a twelve month period, or (2) the unemployment rate in a county for that year is over 7.5%. A grant could be made only if (1) the applicant submitted a plan to the Department detailing the proposed use of the grants and the Secretary of Commerce approved the plan; (2) the applicant entered into a written agreement with the Department that specified the conditions for use of the proceeds of the grant including reporting and auditing requirements; and (3) the applicant agreed in writing to submit to Commerce within six months after spending the full amount of the grant, a report detailing how the grant proceeds were used.

b. Make a grant of $100,000 in each year of the biennium from the WDF to the Wisconsin Minority Business Opportunity Committee (MBOC) if: (1) MBOC submitted a plan to Commerce detailing the proposed use of the grants and the Secretary of Commerce approved the plan; (2) MBOC submitted a statement to Commerce indicating that the grants would match federal funding that has been or will be provided to MBOC for the proposed use indicated in the plan submitted to the Department; (3) MBOC entered into a written agreement with the Department that specified the conditions for use of the grant proceeds, including reporting and auditing requirements; and (4) MBOC agrees in writing to submit to Commerce within six months after spending the full amount of the grant, a report detailing how the grant proceeds were used.

Veto by Governor [B-11]: Delete the following criteria for grants related to plant closings or high unemployment: (1) that the plant closing or unemployment rate must occur during a 12-month period after February 1, 2001; (2) that 500 jobs must be lost in the case of a single plant closing or 1,000 jobs must be lost if there are multiple plant closings; and (3) that the total amount of grants that could be made under these provisions would be $1 million. As a result of the partial veto, applicants would be eligible if they resided or were located in a county where a plant closing eliminated jobs or the unemployment rate was at least 7.5% during any period.

[Act 33 Sections: 292c, 293, and 9109(1d)&(2q)]

[Act 33 Vetoed Section: 9109(1d)]

4. ELIMINATE THE MANUFACTURING ASSESSMENT CENTER

	Funding	Positions
GPR	- $437,600	- 2.00

Governor/Legislature: Eliminate the Manufacturing Assessment Center (MAC) by deleting $218,800 GPR and 2.0 GPR positions annually to eliminate funding and staff for the MAC.

The MAC assists small and medium-sized manufacturing businesses (businesses with 500 or fewer employees) in adopting readily available and reasonably standardized new manufacturing processes and techniques. The center conducts assessments that help a company define a basic course of action, recommend strategies and improvements, and identify resources to assist in the implementation of actions. MAC assessments cover topics such as overall business strategy, employee attitudes, industrial marketing, energy efficiency, and competitive benchmarking. These services are provided through MAC's participation in the Wisconsin Manufacturing Extension Partnership (WMEP).

5. FORWARD WISCONSIN [LFB Paper 215]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- $190,000	- $120,000	- $310,000

Governor: Delete $95,000 annually in funding for Forward Wisconsin.

Forward Wisconsin is a nonprofit organization created in 1984 to attract business to the state. Forward Wisconsin focuses on marketing Wisconsin to out-of-state companies to attract new businesses, jobs, and increased economic activity to the state. Forward Wisconsin has also created the Great Jobs Wisconsin division to recruit workers to Wisconsin. Forward Wisconsin is provided base funding of $475,000 GPR annually through Commerce ($380,000 under the bill). The Secretary of Commerce also serves on Forward Wisconsin's Board of Directors.

Joint Finance/Legislature: Include provision and delete an additional $60,000 GPR annually ($320,000 annually would remain).

6. COMMUNITY-BASED ECONOMIC DEVELOPMENT PROGRAM

GPR	- $100,000

Governor/Legislature: Delete $50,000 annually from the Community-Based Economic Development (CBED) program. Under the bill, the program would be provided $712,100 GPR annually.

The CBED program provides the following types of financial assistance:

a. Grants to community-based organizations to conduct local economic development projects. (Community-based organizations are organizations involved in economic development that assist businesses likely to employ persons.)

b. Grants to community-based organizations that use the funds to provide management services to small businesses planning a start-up or expansion project.

c. Grants to political subdivisions to develop economic development or diversification plans.

d. Grants to community-based organizations that use the grant monies to support business incubators or technology-based incubators.

e. Grants to community-based organizations that join with political subdivisions to conduct regional economic development projects.

f. Grants to private nonprofit organizations for entrepreneurship training for disadvantaged and at-risk children.

g. Grants to community-based organizations for local revolving loan funds for small businesses.

h. Grants to community-based organizations or private nonprofit organizations to conduct venture capital development conferences.

7. RURAL ECONOMIC DEVELOPMENT PROGRAM [LFB Paper 216]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- $100,000	- $237,700	- $337,700
PR	0	237,700	237,700
Total	- $100,000	$0	- $100,000

Governor: Delete $50,000 annually from the Rural Economic Development (RED) program.

The RED program provides grants to rural businesses for professional services, entrepreneurial training, and for dairy farm and other agricultural business start-ups, modernizations, and expansions. The RED program also provides grants and loans for working capital and fixed asset financing in starting or expanding a business and to pay certain employee relocation and certain retraining costs. Business employee skills training (BEST) grants are made through the program. RED grants and loans are made from both a GPR appropriation, as well as a program revenue repayments appropriation. Loan repayments are placed in the program revenue repayments appropriation and used to fund additional RED awards. Base level funding for the RED program is $776,600 annually ($656,500 GPR and $120,100 PR).

Joint Finance/Legislature: Include provision. In addition, reduce GPR funding for the RED by $237,700 in 2003-04 and increase expenditure authority from the RED repayments appropriation by $237,700 PR in 2003-04.

8. ECONOMIC DEVELOPMENT PROMOTION

GPR	- $73,800

Governor/Legislature: Delete $36,900 annually in economic development promotion funding. Commerce promotes its programs and activities and other aspects of economic development in the state using economic development promotion funds. Promotional activities include research, advertising, direct mail, publication development, and conferences. Under the bill, Commerce would retain $30,000 GPR annually for its economic development promotion activities.

9. MINORITY BUSINESS DEVELOPMENT PROGRAM [LFB Paper 217]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- $50,000	- $254,200	- $304,200
PR	0	254,200	254,200
Total	- $50,000	$0	- $50,000

Governor: Delete $25,000 annually from the Minority Business Development (MBD) grant and loan program.

The Minority Business Development program provides the following types of financial assistance to minority businesses or minority group members: (a) early planning grants; (b) entrepreneurial training grants; (c) business development grants and loans; (d) grants and loans to local development corporations for development projects and local revolving loan fund programs; (e) business incubator grants; and (f) education and training grants. Entrepreneurial training grants were developed as a pilot program by Commerce in partnership with the Small Business Development Center at the University of Wisconsin-Extension. The Department makes business employee's skills training (BEST) grants through MBD. The MBD is funded through both a GPR appropriation and a program revenue repayments appropriation. Loan repayments are placed in the program revenue repayments appropriation and used the fund MBD awards. Base level funding for MBD grants and loans is $596,400 annually ($279,200 GPR and $317,200 PR).

Joint Finance/Legislature: Include provision. In addition, reduce GPR funding for the MBD program by $254,200 in 2003-04 and increase expenditure authority from the MBD repayments appropriation by $254,200 PR in 2003-04.

10. MINORITY BUSINESS CERTIFICATION

Senate/Legislature: Require statewide uniform certification of minority businesses through the Department of Commerce. Commerce would be required to prescribe a uniform application process by rule, but could not require applicants to file a copy of their tax return, or federal certification application, as a condition for qualification for certification. However, Commerce may require a signed affidavit stating all information that is submitted is true and correct. All school board, local governmental, and county ordinances regarding minority business certification would be required to conform to state certification rules and laws.

Under current law, Commerce certifies firms for eligibility to participate in the state's minority business bid preference program. A minority-owned business (sole proprietorship, partnership, corporation or joint venture) must meet the following criteria: (a) belong to a minority group including Native American, Black, Hispanic, Asian Indian, Asian Pacific, Aleut, Eskimo, or Native Hawaiian; (b) be at least 51% owned, controlled and actively managed by minority group members; (c) serve a useful business function and have customers other than the state of Wisconsin; and (d) the business must be at least one year old under the current ownership. In order to be certified, the business must complete an application for certification, provide documentation of ethnic status, and provide financial records and other information.

Veto by Governor [B-9]: Delete provision. In his veto message, the Governor indicates that he is requesting Commerce to review minority certification issues in consultation with affected parties and to formulate a process that would foster economic development by leading to increased minority certification, while also complying with federal law and court orders, and minimizing the burden on minority businesses and local governments.

[Act 33 Vetoed Sections: 221m, 842t, 924g, 943p, 1029r, 1524r, 1527g, 1528g, 1528m, 1528n, 1528s, 1528t, 1533b, 1682d, 1682m, 1683d, 1683m, 2022b, 2031p, 2325h, 2325j, 2325k, 2325m, 2384c, 2384cj, 2384cm, 2384cr, 2440m, 2442r, 2448g, 2448r, 2618v, 2618vd, 2618vg, 2618vm, 2618vp, and 2628fg]

11. MAIN STREET PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- $12,000	- $200,000	- $212,000

Governor: Delete $6,000 annually in funding for the Main Street program. The Wisconsin Main Street program provides technical assistance to help communities plan, manage and implement programs to revitalize their downtown business areas through comprehensive economic redevelopment and historic preservation. Up to five municipalities are selected annually for the program based on review and ranking of applications.

Joint Finance/Legislature: Include provision. Further, delete an additional $100,000 GPR annually. The Main Street program would be provided $332,500 GPR in 2003-04 and $335,700 in 2004-05 with 4.5 GPR positions.

12. MANUFACTURING EXTENSION GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	$0	$200,000	$200,000
PR	- 1,000,000	0	- 1,000,000
Total	- $1,000,000	$200,000	- $800,000

Governor: Repeal the manufacturing extension grant program and delete $500,000 PR annually in tribal gaming revenues and the PR appropriation provided for these grants. Authority to make manufacturing extension grants from the Wisconsin Development Fund (WDF) would be eliminated.

Under current law, Commerce is authorized to make grants to provide financial support to the programs and operation of technology-based nonprofit organizations. A program revenue appropriation funded with tribal gaming revenue and annual expenditure authority of $500,000 PR provides a separate source of funding for manufacturing extension grants. Commerce is also authorized to make such grants from the WDF. However, a technology-based nonprofit organization that receives a grant from the separate tribal gaming funds appropriation cannot receive a grant or loan from the WDF.

Manufacturing extension grants are only made to provide assistance to the Wisconsin Manufacturing Extension Partnership (WMEP). WMEP is operated by an organization, the Wisconsin Center for Manufacturing and Productivity, Inc., that includes the Department of Commerce, University of Wisconsin System and Extension, Wisconsin Technical College System (WTCS), Marquette University, Milwaukee School of Engineering, labor and business. WMEP provides process improvement and technology transfer services to small and medium-sized manufacturers.

Joint Finance/Legislature: Modify the provision to retain the manufacturing extension grant program at a reduced level. Create a separate GPR appropriation for manufacturing extension grants and provide $100,000 GPR annually to make grants to WMEP.

[Act 33 Sections: 292f, 294, 608, 2624d, and 2628]

13. ADMINISTRATIVE SERVICES LAPSE [LFB Paper 218]

	Funding	Positions
GPR-REV	$898,000	
PR	- $898,000	- 8.40

Governor: Decrease the program revenue administrative services appropriation by $449,000 PR (a 10.6% reduction from base level expenditure authority) and 8.4 PR positions annually. Transfer $449,000 in each year from the appropriation account to the general fund. Program revenues deposited in the appropriation are from fees charged to the Department's programs for administrative services provided.

The Division of Administrative Services provides internal management services to the Department in areas of information technology, telecommunications, personnel, payroll, employee development, affirmative action, policy and budget development, procurement and printing, health and safety, fiscal management, property and space management, and mail handling. Base level funding for the Division is $1,523,500 GPR, 11.00 GPR positions, $4,282,800 PR, 54.90 PR positions, $319,300 FED, and 7.4 FED positions.

Joint Finance/Legislature: Include provision. In addition, provide that Commerce may submit to the Secretary of the Department of Administration (DOA) an alternative plan for reallocating the required lapse from the administrative services appropriation to the appropriations that are charged for administrative services. If the plan relates to a lapse for 2003-04 it must be submitted by May 1, 2004. If the plan relates to a lapse for 2004-05 it must be submitted no later than May 1, 2005. If the Secretary approves the plan, the Secretary must, no later than seven days after receiving the plan, submit the plan for approval by the Joint Committee on Finance under a 14 day passive review process. If the Secretary of Administration or the Joint Committee on Finance does not approve the plan, the Department must lapse the funds from the administrative services appropriation as originally specified. This provision was added to address concerns with federal requirements that may affect Commerce's mechanism for accomplishing the lapse.

Veto by Governor [D-3]: Delete language requiring that Commerce submit a plan for reallocating the lapse by a specific date and that the Secretary of Administration submit the plan to the Joint Committee on Finance under a 14-day passive review process. In addition, the Governor partially vetoed the provision so as to allow agencies, including Commerce, that are required to lapse certain amounts from program revenue accounts to submit alternative plans to the Secretary of Administration for the allocation of lapse amounts. After reviewing the plan, the Secretary would have the authority to implement it.

[Act 33 Section: 9260(1)]

[Act 33 Vetoed Section: 9260(1)]

14. BROWNFIELDS GRANT PROGRAM TRANSFER [LFB Paper 573]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $14,616,800	- 2.50	$14,616,800	2.50	$0	0.00

Governor: Repeal the brownfields grant program and related annual funding of $7.0 million in environmental fund SEG and create a new brownfields grant program in the Department of Natural Resources (DNR). Statutory authority for Commerce to administer the brownfields grant program, annual funding of $7,000,000 SEG and related appropriations, and responsibility for preparing a report on the effectiveness of state brownfields activities would be deleted. In addition, annual funding of $308,400 SEG from the petroleum inspection fund and 2.5 SEG positions that administer the Brownfields Grant program would be deleted, along with the related appropriation.

The brownfields grant program provides financial assistance to businesses, municipalities, and nonprofit organizations that conduct brownfields redevelopment and related environmental remediation projects.

Joint Finance/Legislature: Delete provision. As a result, the brownfields grant program, $7.0 million SEG in annual base funding, administrative staff of 2.5 SEG positions, and related annual funding of $308,400 SEG would be restored to Commerce. In addition, Commerce would be authorized to review applications for brownfields grants received by the Department in October 2002, rank them using the 2002-03 scoring structure, and make awards to eligible applicants totaling up to $6,250,000 in funding provided for the program in 2003-04. (Brownfields grants funding for 2002-03 was deleted and lapsed to the general fund under the provisions of 2003 Wisconsin Act 1.)

[Act 33 Section: 9109(1z)]

15. FORESTRY EDUCATION GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance /Leg. (Chg. to Gov)	Veto (Chg. to Leg)	Net Change
SEG	- $200,000	$200,000	- $200,000	- $200,000

Governor: Eliminate the forestry education grant program and annual funding of $100,000 from the forestry account of the conservation fund. The program provides grants to nonprofit organizations for forestry education programs for school children conducted in conjunction with the University of Wisconsin-Stevens Point, College of Natural Resources, timber management program.

Joint Finance/Legislature: Delete provision.

Veto by Governor [B-12]: Delete all funding for the program by vetoing the appropriation to $0. In his veto message, the governor requests the Secretary of Administration not to allot the funds.

[Act 33 Vetoed Section: 286 (as it relates to s. 20.143(1)(t))]

16. CERTIFIED CAPITAL COMPANIES ADMINISTRATIVE LAPSE [LFB Paper 219]

GPR-REV	$113,400

Joint Finance/Legislature: Require the Secretary of Administration to lapse the year-end unencumbered balance in the certified capital companies (CAPCO) administration appropriation to the general fund. This would increase GPR-Earned by $98,400 in 2003-04 and by $15,000 in 2004-05.

The CAPCO program was created by 1997 Wisconsin Act 215. Under the program, an insurance premiums tax credit is provided for insurance company investments in certified capital companies. The certified capital companies are required to use these funds to provide capital to certain small businesses. Commerce administers the CAPCO program and certified capital companies must pay an application fee of $7,500 and an annual certification fee of $5,000 to the Department. Fees are placed in a program revenue appropriation for administrative expenses.

[Act 33 Section: 292m]

17. AMERICAN INDIAN ECONOMIC DEVELOPMENT FUNDING REDUCTION

	Funding	Positions
PR	- $315,200	- 1.00

Joint Finance/Legislature: Make the following changes to the American Indian economic development program: (a) repeal the American Indian economic liaison grant program and delete $25,000 annually to eliminate funding; and (b) delete $132,600 and 1.0 position annually to reduce funding and positions by one-half for the Department's liaison and administration of gaming economic development and diversification grants.

The American Indian economic development program was created in 1991 and provides tribal gaming funding for the Department's liaison and for another position and marketing expenses related to the tribal gaming economic development and diversification grant and loan program. The Department's liaison position provides technical and economic development assistance to American Indian entrepreneurs and tribal communities. Commerce also administers two programs that provide funds to the Great Lakes Inter-Tribal Council (GLITC)--an economic development liaison grant and an economic development technical assistance grant. The program components are funded with tribal gaming revenues through three separate appropriations. Base funding for each appropriation in 2002-03 is as follows: (a) American Indian economic liaison, gaming grants administration and marketing--$265,100; (b) American

Indian economic development technical assistance--$94,000; and (c) American Indian economic development liaison grants--$25,000.

Veto by Governor [B-13]: Eliminate the repeal of the American Indian economic liaison grant program and associated appropriation. In his veto message, the Governor indicates that retaining the program would allow Commerce to request funding at a future date.

[Act 33 Vetoed Sections: 293s, 293u, 607u, and 2628m]

18. GAMING ECONOMIC DEVELOPMENT AND DIVERSIFICATION PROGRAM [LFB Paper 131]

PR	- $800,000

Joint Finance/Legislature: Delete $400,000 annually from the gaming economic development and diversification grant and loan program. Further, specify that Commerce transfer $300,000 annually to the Wisconsin Technical College System Board for work-based learning programs.

The gaming economic development and diversification grant and loan program provides financial assistance to businesses that are affected by American Indian gaming operations and to fund projects that diversify the local economy. Annual base level funding for the program is $3,238,700 in tribal gaming revenues ($2,838,700 annually under the bill).

[Act 33 Sections: 293v and 551e]

19. TRANSFER HOUSING FUNCTIONS FROM DOA [LFB Paper 117]

	Funding	Positions
GPR	$10,673,200	7.80
FED	71,204,000	6.25
PR	13,645,200	3.95
Total	$95,522,400	18.00

Governor/Legislature: Provide $5,336,600 GPR, $35,602,000 FED, and $6,822,600 PR and 7.80 GPR, 6.25 FED, and 3.95 PR positions annually to reflect the transfer of most of the DOA Division of Housing functions, funding and positions, as determined by the DOA Secretary, to Commerce effective 30 days after the publication of the act. [See "Administration" for a complete summary of this provision.]

20. TRANSFER OF OPERATION FRESH START PROGRAM FROM DOA [LFB Papers 117 and 835]

Joint Finance/Legislature: Transfer the Operation Fresh Start program from DOA to the Department of Commerce. The Operation Fresh Start program was begun under DOA's Division of Housing and Intergovernmental Relations as a result of a directive from the Governor in 1998-99. The program is based on a long-running Madison program of the same name that is designed to provide at-risk young people with education, employment skills and career direction leading to economic self-sufficiency. [See "Administration" for a complete summary of this provision.]

21. TRANSFER VOLUNTEER FIREFIGHTER PROGRAM FROM DOA [LFB Paper 118]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	$1,348,400	- $1,348,400	$0

Governor: Provide $674,200 annually to reflect the transfer of the DOA volunteer firefighter and EMT service award program to Commerce, effective 30 days after the publication of the act. [See "Administration" for a complete summary of this provision.]

Joint Finance/Legislature: Delete provision.

22. PECFA REVENUE OBLIGATION AUTHORITY [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	$115,000,000	- $21,000,000	$94,000,000

Governor: Provide an additional $115,000,000 in revenue obligation authority for the petroleum environmental cleanup fund award (PECFA) program, by increasing revenue obligation authority under the program from $342 million to $457 million. The PECFA program reimburses owners for a portion of the cleanup costs of discharges from petroleum product storage systems and home heating oil systems. The revenue obligation proceeds are used to pay PECFA claims submitted under the program. Debt service for revenue obligations is paid from the 3¢ per gallon petroleum inspection fee imposed on all petroleum products that are brought into the state.

Joint Finance/Legislature: Approve $94,000,000 instead of $115,000,000 in revenue obligation authority for the PECFA program. Total revenue obligation authority under the program would be $436 million.

[Act 33 Section: 1839]

23. PETROLEUM INSPECTION FUND [LFB Paper 220]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Veto (Chg. to Leg)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	$3,118,600		$12,000,000		$5,452,600		$20,571,200	
SEG	- $3,118,600	- 12.90	$0	0.00	$0	0.00	- $3,118,600	- 12.90

Governor: Decrease Environmental Regulatory Services Division general operations appropriations by $1,559,300 annually with 12.9 positions from the segregated petroleum inspection fund. The appropriation reductions would include: (a) $1,348,000 annually with 8.9 positions (a 21% reduction from base level funding) in the petroleum inspection program that inspects petroleum tanks at gas stations and other facilities and inspects petroleum products that enter the state (as of February 22, 2003, 9.9 of 57.4 positions in the appropriation were vacant); and (b) $211,300 annually (a 7% reduction from base level funding) with 4.0 positions for PECFA administration related to contaminated site and claim review (as of February 22, 2003, six of 36.8 positions in the appropriation were vacant). Further, transfer $1,657,400 in each of 2003-04 and 2004-05 from the petroleum inspection fund to the general fund. (The amount transferred to the general fund under the bill ($1,657,400 annually) is $98,100 greater each year than the amount of the Commerce SEG appropriation reductions because an additional $98,100 annually is deleted from a DNR appropriation and transferred to the general fund.)

Joint Finance/Legislature: Transfer an additional $6,000,000 in each of 2003-04 and 2004-05 from the petroleum inspection fund to the general fund.

Veto by Governor [B-10]: Increase the transfer by $5,452,600, to $20,767,400. The veto accomplishes this by modifying the provision of the enrolled bill that had read, "$7,657,400 in fiscal year 2003-04 and $7,657,400 in fiscal year 2004-05," by vetoing "7,657,400 in fiscal year", "03-04 and $", the "," between "7" and "6", the "5" between "6" and "7" and "in fiscal year 2004-05" to create a new number "$20767,400". As a result of the partial veto, the act does not specify when the transfer would be made. The Governor's veto message indicates that it is the Governor's intent that the transfer of $20,767,400 be made in 2003-04. (The amount transferred to the general fund under the act is $196,200 greater than the amount shown under Commerce because an additional $196,200 is deleted from a DNR appropriation during the biennium and transferred to the general fund).

[Act 33 Section: 9209(1)]

[Act 33 Vetoed Section: 9209(1)]

24. SAFETY AND BUILDINGS PROGRAM

	Funding	Positions
GPR-REV	$4,197,000	
PR	- $4,197,000	- 20.55

Governor/Legislature: Decrease the Safety and Buildings Division general operations appropriation by $2,098,500 annually (a 12% reduction from base level expenditure authority) with

20.55 positions (as of February 22, 2003, 28.45 of 189.35 positions in the appropriation were vacant). Transfer $2,098,500 in each year from the appropriation account to the general fund. Program revenues deposited in the safety and buildings appropriation are provided from several plan review and inspection activities related to construction such as commercial buildings, multi-family and manufactured dwellings, plumbing, private sewage systems, electrical and heating systems, and elevators.

Veto by Governor [D-3]: The Governor partially vetoed the provision so as to allow Commerce to submit an alternative plan to the Secretary of Administration for the allocation of the lapse amounts. After reviewing the plan, the Secretary would have the authority to implement it. This authority for the DOA Secretary to reallocate the source of the lapses to the general fund is created by selectively striking words and phrases.

[Act 33 Section: 9260(1)]

[Act 33 Vetoed Section: 9260(1)]

25. RECYCLING MARKET DEVELOPMENT BOARD [LFB Paper 221]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Veto (Chg. to Leg)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	$2,400,000		$157,000		- $800,000		$1,757,000	
PR-Lapse	$2,400,000		$0		- $800,000		$1,600,000	
SEG	$0	0.00	- $157,000	- 1.00	$0	0.00	- $157,000	- 1.00
PR	0	0.00	- 4,000,000	0.00	0	0.00	- 4,000,000	0.00
Total	$0	0.00	- $4,157,000	- 1.00	- $0	0.00	- $4,157,000	- 1.00

Governor: Lapse $1,200,000 PR to the general fund in each of 2003-04 and 2004-05 from the Recycling Market Development Board (RMDB) loan repayments appropriation in Commerce. The Board provides grants, loans or manufacturing rebates to governmental or business entities to assist waste generators in the marketing of recovered materials or to develop markets for recovered materials. The source of the program revenue is repayments of loans. Under 2003 Act 1 (January 2003 Special Session Senate Bill 1), the entire $3,800,000 estimated June 30, 2003, unencumbered appropriation account balance is lapsed to the general fund. It is unlikely that repayments received in 2003-05 would be sufficient to meet the full $2,400,000 lapse requirement under the bill.

Joint Finance/Legislature: Modify the Governor's recommendation to lapse the July 1, 2003, RMDB loan repayment balance and all revenues deposited in the appropriation after July 1, 2003, to the general fund (estimated at up to $2.1 million during the 2003-05 biennium). In addition, direct that Commerce lapse amounts from three financial assistance appropriations (the Wisconsin Development Fund repayments, rural economic development program repayments and the community-based economic development program) so that if the RMDB loan repayment lapse is less than $2,400,000, the difference would come from one or more of the three programs, for a total lapse to the general fund of $2,400,000 for the 2003-05 biennium.

In addition, on the effective date of the bill, repeal: (a) the RMDB and related grant program; (b) the PR financial assistance appropriation of $2,000,000 annually; and (c) the SEG recycling fund appropriation of $78,500 SEG annually with 1.0 SEG position annually. Transfer $78,500 from the recycling fund to the general fund in each of 2003-04 and 2004-05.

Finally, require DNR, rather than Commerce, to make the two statutory awards specified under current law. Direct DNR to make the awards from the existing waste reduction and recycling demonstration grant program appropriation. (The program is provided with $500,000 SEG annually from the recycling fund.) Currently, Commerce is required to: (a) provide a grant of $50,000 annually to a private, nonprofit organization that provides waste reduction and recycling assistance through business-to-business peer exchange (Commerce provided the grant to WasteCap Wisconsin Inc. in each year from 1999-00 through 2002-03); and (b) annually contract for a statewide materials exchange program with a materials exchange program that received funding from the RMDB in the 1997-99 biennium. (While the statutes do not specify a grant amount, Commerce awarded $100,000 in each year from 1999-00 through 2002-03 to the Business Materials Exchange of Wisconsin maintained by the Greater Beloit Chamber of Commerce.)

Veto by Governor [B-17 and D-3]: Delete the requirement that if RMDB loan repayments total less than $2,400,000 during the 2003-05 biennium, Commerce would have to lapse an amount equal to the difference from three financial assistance appropriations. Based on preliminary 2002-03 revenues and expenditures, it is estimated that RMDB loan repayments totaling up to approximately $1,600,000 would be deposited in the general fund during the 2003-05 biennium. Under the act, the program revenue lapse to the general fund would be approximately $800,000 less than under the enrolled bill.

Delete the requirement that DNR make the two awards specified under current law. Under the act, the two organizations could apply for grant funds under the award process for the DNR waste reduction and recycling demonstration grant program. Under the program, DNR is authorized to provide cost-share grants to organizations for projects that implement innovative waste reduction and recycling activities. A grant may not exceed 50% of the project's actual eligible costs, or 75% of the actual eligible costs of a community-wide waste reduction project, or $150,000, whichever is less. DNR may not award grants to any applicant that cumulatively total more than $250,000.

[Act 33 Sections: 100p, 294j thru 297m, 2474kd thru 2474kq, 2618t, 2628fd, 2628ff, 2628fh thru 2628hh, and 9260(1)]

[Act 33 Vetoed Sections: 406e, 2474L, and 9260(1)]

26. CONSOLIDATION OF STATE AGENCY ATTORNEYS UNDER DOA [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $133,400	- 3.00	$133,400	3.00	$0	0.00

Governor: Delete $57,200 in 2003-04 and $76,200 in 2004-05 and 3.0 permanent positions annually from the segregated petroleum inspection fund to reflect consolidation of executive branch attorneys under DOA, effective the later of October 1, 2003, or the first day of the third month beginning after the bill is enacted. Further, reallocate $158,600 in 2003-04 and $211,500 in 2004-05 of base level salary and fringe benefits that currently supports two of the attorney positions to the Commerce supplies and services budget to pay for DOA legal services. Commerce also has a chief counsel position that would not be subject to transfer to DOA under the bill.

The 3.0 affected attorney positions are funded from the PECFA administration appropriation. Currently, Commerce has two project and one permanent attorneys in the PECFA program. The PECFA project attorneys end on September 1, 2004, and January 13, 2006. (One project attorney is deleted in 2004-05, along with $63,700, under standard budget adjustments.) Therefore, while under standard budget adjustments, the Commerce PECFA appropriation would have one permanent and two project positions authorized in 2003-04 and one permanent and one project positions authorized in 2004-05, the bill would delete three permanent positions annually and provide two permanent attorneys to DOA in 2003-04.

Joint Finance/Legislature: Delete provision. Direct the Secretary of DOA to delete 31.0 FTE executive branch agency attorney positions, other than attorney positions at the Department of Employee Trust Funds, the Investment Board, and the University of Wisconsin System, that are vacant on January 2, 2004, and lapse the associated budgeted non-FED salary and fringe benefits amounts to the general fund in 2003-04 and 2004-05. If fewer than 31.0 FTE agency attorney positions are vacant on January 2, 2004, authorize the Secretary of DOA to delete sufficient additional state agency attorney positions, other than at the University of Wisconsin System, to ensure the elimination of a total of 31.0 FTE state agency attorney positions. The additional fiscal effect of this position deletion requirement is reflected under "Administration -- Transfers to the Department."

Veto by Governor [D-2]: Delete all references to the word "attorney," so that the Secretary of DOA must eliminate 31.0 positions that are vacant as of January 2, 2004. Eliminate the exemption of the University of Wisconsin System so that the only executive branch agencies that would be exempted from the position reductions are the Department of Employee Trust Funds and the Investment Board.

[Act 33 Section: 9101(9x)]

[Act 33 Vetoed Section: 9101(9x)]